

Securities and Exchange Commission

§ 204.54

accordance with the Federal Claims Collection Standards, 31 CFR 901.9.

[58 FR 38520, July 19, 1993, as amended at 66 FR 54132, Oct. 26, 2001]

Subpart C—Tax Refund Offset

AUTHORITY: 31 U.S.C. 3720A, 31 CFR 285.2(c).

SOURCE: 58 FR 64372, Dec. 7, 1993, unless otherwise noted.

§ 204.50 Purpose.

This subpart establishes procedures for the Commission's referral of past-due legally enforceable debts to the Department of the Treasury's Financial Management Service (FMS) for offset against the income tax refunds of the debtor.

[66 FR 54132, Oct. 26, 2001]

§ 204.51 [Reserved]

§ 204.52 Notification of intent to collect.

(a) *Notification before tax refund offset.* Reduction of an income tax refund will be made only after the Commission makes a determination that an amount is owed and past-due and gives or makes a reasonable attempt to give the debtor 60 days written notice of the intent to collect by tax refund offset.

(b) *Contents of notice.* The Commission's notice of intent to collect by tax refund offset (Notice of Intent) will state:

- (1) The amount of the debt;
- (2) That unless the debt is repaid within 60 days from the date of the Commission's Notice of Intent, the Commission intends to collect the debt by requesting a reduction of any amounts payable to the debtor as a Federal income tax refund by an amount equal to the amount of the debt and all accumulated interest and other charges;
- (3) A mailing address for forwarding any written correspondence and a contact name and a telephone number for any questions; and
- (4) That the debtor may present evidence to the Commission that all or part of the debt is not past due or legally enforceable by:

(i) Sending a written request for a review of the evidence to the address provided in the notice;

(ii) Stating in the request the amount disputed and the reasons why the debtor believes that the debt is not past due or is not legally enforceable; and

(iii) Including in the request any documents that the debtor wishes to be considered or stating that the additional information will be submitted within the remainder of the 60-day period.

(c) To the extent that a debt owed has not been established by judicial or administrative order, a debtor may dispute the existence or amount of the debt or the terms of repayment. With respect to debts established by a judicial or administrative order, Commission review will be limited to issues concerning the payment or other discharge of the debt.

[58 FR 64372, Dec. 7, 1993, as amended at 66 FR 54132, Oct. 26, 2001; 66 FR 56383, Nov. 7, 2001]

§ 204.53 [Reserved]

§ 204.54 Commission action as a result of consideration of evidence submitted in response to the notice of intent.

(a) *Consideration of evidence.* If, as a result of the Notice of Intent, the Commission receives notice that the debtor will submit additional evidence or receives additional evidence from the debtor within the prescribed time period, tax refund offset will be stayed until the Commission can:

- (1) Consider the evidence presented by the debtor; and
- (2) Determine whether or not all or a portion of the debt is still past due and legally enforceable; and
- (3) Notify the debtor of its determination.

(b) *Commission action on the debt.* (1) The Commission will notify the debtor of its intent to refer the debt to the IRS for offset against the debtor's Federal income tax refund if it sustains its decision that the debt is past-due and legally enforceable. The Commission will also notify the debtor whether the amount of the debt remains the same or is modified; and